

DEBAO PROPERTY DEVELOPMENT LTD.
(Incorporated in Singapore on 16 August 2007)
(Registration Number: 200715053Z)

**DISCLOSURES PURSUANT TO RULE 704(32) OF THE LISTING MANUAL OF THE SINGAPORE
EXCHANGE SECURITIES TRADING LIMITED (“SGX-ST”)**

1. Pursuant to Rule 704(32) of the Listing Manual of the SGX-ST, the Board of Directors (the **“Board”**) of Debao Property Development Ltd. (the **“Company”**) wishes to announce the following:
 - (a) Debao Property Development (HK) Limited (**“Debao HK”**), a subsidiary of the Company, has been in breach of its obligations to repay a loan (the **“Loan”**) under a facility agreement dated 9 September 2015 (the **“Facility Agreement”**) owed to China Huarong International Holdings Limited (**“Huarong International”**) since September 2020;
 - (b) the Company is a corporate guarantor to the Facility Agreement;
 - (c) Dynamic Real Estate Holdings Pte. Ltd. (**“Dynamic Real Estate”**), a subsidiary of the Company and the holding company of Debao HK, had, pursuant to the security documents under the Facility Agreement, pledged in favour of Huarong International all of the shares in the share capital of Debao HK and all related rights in relation thereto held by Dynamic Real Estate (the **“Charged Property”**);
 - (d) Debao HK has been in talks with Huarong International to extend the repayment period of the Loan. As disclosed in the Company’s quarterly announcements, Debao HK has been in talks to extend the Loan;
 - (e) Deloitte Touche Tohmatsu (**“Deloitte”**) had on 8 October 2021 sent a letter (the **“Letter”**) informing that Messrs. Lai Kar Yan (Derek) and Yeung Lui Ming (the **“Receivers”**), both of Deloitte, had been appointed on 8 October 2021 as joint and several receivers of the Charged Property by Huarong International to realise the Charged Property in order to repay Huarong International the Loan (the **“Realisation”**); and
 - (f) further to the Letter, the Company was informed that the Receivers have launched a marketing process since 11 October 2021 to identify potential investors who are interested to acquire the Charged Property with a view that a sale and purchase agreement for the disposal of the Charged Property could be executed by the end of 2021.
2. Accordingly, the Company is of the view that the Realisation may have a significant impact on the operations of the Company. The Company intends to engage with discussions with Huarong International and Deloitte to better understand the Realisation terms and conditions as the Company has not been informed of the Realisation nor any intention by Huarong International of the same prior to the receipt of the Letter.
3. The Company is currently revising its cashflow forecasts for review with the Audit Committee and the Company’s auditors to determine impacts on going concern.

The Company will make further announcements to update its shareholders when there are material updates as may be necessary or appropriate.

By Order of the Board

Zhong Yuzhao
Executive Director and Chief Executive Officer
21 October 2021